I. ACTION

A. Oath of Office. Chair Greg Butterfield administered the Trustee Oath of Office to Karen L. Acerson.

B. Awards of Excellence. Trustee Morley motioned for approval of Trustee Awards of Excellence for Matt Bambrough, Kate McPherson, DJ Smith, Richard Tolman, and Ian Wilson. Trustee Champion seconded. Voting was unanimous.

C. Policy 524. Graduate Program Credit and Graduation Requirements. Vice President Wilson reviewed changes to policy, addressing Trustee concerns:
4.2.1. Amount of credit hours that can be transferred. Northwest Accreditation standards states this is the minimum amount allowed as transfer credit in a graduate program. Students must complete 2/3 of credit hours at UVU to receive a UVU degree. They could take fewer credits here, but would have to transfer to the institution where majority of credits are received.
4.2.3. Concern about six year completion requirements. Comparison data was collected from other universities, which varied from 4-8 years. Policy will remain at six years, but addition of 4.3.2.1 allows for request to be made for extension under extenuating circumstances.
5.4. Each college or school will have a faculty committee that will evaluate graduate transfer credit.
5.4.2. Identifies options for student to appeal the decision of the faculty committee to the department chair and dean in order to receive credit. Grammar change will be made to 4.1.1.

Trustees discussed how policy seems undone or ambiguous. Philosophy of use of policy and procedure was discussed. This policy relates specifically to graduate programs, and much detail is included in other academic policies. Trustee Mortimer motioned for approval of Policy 524. Graduate Program Credit and Graduation Requirements with slight grammatical correction. Trustee Morley seconded. Voting was unanimous.

D. Cash Management. Mike Francis explained the proposal which outlines a different process for cash management for UVU. Right now all cash is in the PTIF (public treasury investment fund) treasury pool, where it is liquid and can be converted in a very short time. Rate of return is very low. Research has showed excess cash could be invested in an intermediate high-grade investment fund which would increase the investment from .5% to 2%, resulting in an extra half million dollars for use by the university. A committee would be formed to work with an investment advisor, who would be qualified by the Utah State Money Management Act. Comments and questions:
Spirited discussion was held in Audit Committee meeting. Audit Committee agreed with the concept to increase interest rate. They had questions on investment manager and amount to invest and asked Finance Department to collect information and report on university budget categories, earmarked funds, money manager position, investment firms and spread of investment.

Do other state universities use PTIF or other options? University of Utah’s very large endowment is managed by a treasurer who works with TIAA-CREF brokerage. This is different than working capital funds.

What is the risk/reward balance and investment period? Recommendation is for short-term investments that would be laddered to come due every 3-4 months and be liquid. Money Management Act states all investments must be in the name of the university, not a bank or investment firm.

What about Dodd-Frank laws? Investments will not be through a bank, but an investment firm, so these don’t apply. Wells Fargo Security, that is being recommended, is the largest brokerage firm on Wall Street with the top rating. Zions Bank rating is slightly less.

Why are other brokerages not being considered? Others were not in original proposal, but will now be researched for consideration.

Request was forwarded to hire full-time university treasurer to do in-house investment.

Other questions were given to Mike Francis to answer and report to Trustees.

Following was noted:

- All investments follow the Utah Money Management Act which is very structured in what can be done with the public money. The Audit Committee recognizes this and is looking at options within the Act while proposing we continue to explore the concept.
- The $40 million is part of the money held for liabilities that might need to be paid out.
- Delaying the decision would result in loss of interest income.
- Two issues will have further discussion: 1) approval of money being put in higher return investment, and 2) review of questions, including risks and benefits of internal financial manager

Trustee Shoemaker motioned to approve the Audit Committee recommendation for concept to place working capital cash in a higher return account. Research and recommendation on options within the Utah Money Management Act will be brought back to Board of Trustees for final approval. Trustee Acerson seconded. Voting was unanimous.

Trustee Mortimer motioned for Finance Department to research risks and benefits of having internal money manager and bring back to Board of Trustees for discussion and action. Trustee Hawkins seconded. Voting was unanimous.

E. Naming Opportunity. Trustee Lund motioned for approval of the naming of a science building lecture hall, the Richard G. Scott Lecture Hall. Trustee Mortimer seconded. Voting was unanimous with one abstention (Trustee Champion).

F. Tenure Requests. Trustee Lund motioned approval of tenure for Marinda Ashman, Angela Banchero-Kelleher, Clayton Brown, Christopher Clark, Lars Eggertsen, Gloria Gilmore, Wayne Hanewicz, Stanley Harward, Talitha Hudgins, Tammy Huffman, Baldomero Lago, Betsy Lindley, Amy Markgraf Jacobson, Gary Naisbitt, Kevin Smith, Elaine Tuft, Bryan Waite, with Dianne McAdams-Jones held. Trustee Acerson seconded. Voting was unanimous with one abstention on vote for Lars Eggertson with declaration of conflict (Trustee Hawkins).

G. Sabbatical Requests. Trustee Shoemaker motioned for approval of sabbaticals for the 2012-13 academic year for Scott Abbott, Elaine Byrd, Robert Cousins, Michael Shaw and Jans Wager; fall semester sabbaticals for Michael Minch, Bryce Ryting, Wayne Whaley; and spring semester 2013 sabbaticals for Neil Harrison and Harry Taute. Trustee Morley seconded. Voting was unanimous.

H. Honorary Degree. Trustee Hawkins motioned to add agenda item Honorary Degree. Trustee Loumeau seconded. Voting was unanimous.

Trustee Hawkins motioned for approval of Honorary Doctorate of Humane Letters for Tye Noorda. Trustee Mortimer seconded. Voting was unanimous.

II. CONSENT CALENDAR.

A. Minutes of December 8, 2011 Board of Trustees meeting

B. Human Resources report for November and December 2011
C. Investment Report for October and November 2011

Question was asked why there was a market loss on the Wells Fargo account for November 30 when the market was up. Mike Francis will research.

Trustee Hawkins motioned for approval of Consent Calendar contingent on clarification of UVU investment in Wells Fargo. Trustee Loumeau seconded. Voting was unanimous.

III. INFORMATION

A. Campus Report. President Holland presented report:

- Business Resource Center recently opened as part of the successful business engagement strategy. It provides a wonderful environment and resource for multiple entities and new business. Steve Roy is the Associate Vice President for Economic Development and is working on a strategic plan to move forward in a way that has the potential to be of regional and national significance.
- Chair of Higher Education Appropriations Subcommittee has spent a lot of time researching higher education, which has changed the legislative dynamics and the need for higher ed to be more innovative. He brought in outside educators including Clayton Christensen who talked about his research and book *Innovative University*. These are not new ideas and President Holland has talked to both authors and made visits to see what BYU-Idaho is doing.
- UVU Update and Report:
  - Distance education has increased by 3% in the past year providing 19.6% of total instruction. 37.5% of students took at least one technology based course
  - 65 hybrid courses were created, with 48 sharing classrooms, freeing up 24 classrooms
  - As much as technology has extended efficiency, it will not replace the teacher-student experience. Traditional universities are still indispensable.
  - Global Aviation has a full on-line degree, with Hospitality Management on-line degree in progress
  - USHE is 3rd in the nation in credentials and degrees awarded per expenditure, with UVU the low cost leader in the state.
  - Missions differ among institutions so all cannot follow the same model.
  - 120 classes are offered on the weekend, 600 classes start at 6 p.m. or later amounting to 23,288 students
  - Summer enrollments are up. New Summer School Director has been hired. We are watching effect of federal financial aid funding changes for summer, and are having conversations on trimesters
  - Major retention initiatives (12+) were listed. Retention has increased 24% since 2003 to 65% for bachelor-degree seeking students, which is close to peer groups. Associate degree retention has also increased to peer levels.
  - Unique educational mission initiatives include structured enrollment, new admission deadline, earlier enrollment purge, improved advising, completion of community survey, alignment of advising and retention efforts, and new VP of Community College Programming.

- Funding Priorities
  - Compensation. Need to treat Higher Ed employees like other state employees
  - Equity. Legislature approved equity study which was done by a reputable national firm. Results of survey indicate UVU is 66.2% of total funding as a percentage of peer group median, with 40.8% of general operating funds provided by the state. The Commissioner and Regents are in agreement on importance of equity improvements
  - Accreditors indicated need for new resources. This fall 1762 first year students were admitted but did not enroll anywhere. Extensive surveying revealed they couldn’t get the classes they needed. This undermines the need for an educated Utah population.
  - Funding request is for a multi-year commitment for equity. $2.4 million in Commissioner’s budget would move UVU from 38% state funding to 39.2%. A teaching institution should be 60% state funded, with research universities less and community colleges more. Hope is this will establish a principle that will provide a larger increase when money is available
  - Distinctive mission projects were identified for funding. They are Summer Bridge programs, implementation of structured enrollment, and Business Resource Center.
  - Space study revealed UVU is at the bottom of the state in space per student, with classroom space even lower. The study provides data for need for new classroom building, which was moved to 3rd on the building board list and highest for higher education. New building would be 250,000 square ft., with 60 classrooms, 150 offices, 20 study rooms and a 1000 seat auditorium. Even with increase in on-line education, space is critical.
  - Trustee Executive Committee was thanked for newspaper editorial on state funding gap
B. Legislative Update. Val Hale gave update:
- Tenure bill was defeated in committee 10-4
- A bill was introduced to eliminate Board of Regents, with responsibilities given to Board of Trustees.
- Building board supports the need for new classroom building. If revenue is up, there is a possibility to fund top three items on list, including U infrastructure, Weber courthouse and UVU classroom.
- A bill was introduced to limit state funding to current budget, plus inflation. Anything beyond would not be funded, including growth.

C. Policy Process Update. Linda Makin said Trustees had requested a periodic status update of policies moving forward and this list was included in agenda. Focus in the near future will be on some academic and HR policies.

D. Foundation Report. Joel Kincart distributed handout and reported on Foundation activities.
- Recent gifts above $20,000 each have reached a total of $2 million with $375,000 in new pledges ($300,000 this week).
- Foundation is creating a real estate due diligence system so any gifts will be analyzed before being accepted. Staff will be trained to recognize liability for holding property.
- Created ten Foundation Ambassador scholarships through endowments that will be named after past board chairs. Four will be funded immediately, others as endowment grows.
- Hosted scholarship luncheons for donors and scholarship recipients.
- Annual scholarship reports will be made to donors in April on accounting of fund balances and will include thank you letters from student recipients.
- Implementing new gifting levels. $41 beginning level will now be raised to $1041, with addition of a new top (Emerald) level. Donors below the beginning level will be recognized on-line but not in published report.
- Foundation Board retreat will be held May 9, where they will review strategic direction of board.
- Scholarship Ball will be held September 28.
- Latest UV magazine issue was distributed.

Trustee Shoemaker motioned to move to Executive Closed Session to review issues allowed under the Open and Public Meeting act, including character and professional competence of individuals. Trustee Morley seconded. Voting was unanimous.

Trustee Merrill motioned to return to Open Session, Trustee Shoemaker seconded. Voting was unanimous.

Meeting adjourned at 9:45 p.m.